



Ex Parte Statement of Townsquare Media, Inc. in Support of Connoisseur Media LLC
Proposal on Embedded Markets
MB Docket Nos. 09-182 and 14-50

Dear Ms. Dortch:

Townsquare Media, Inc. (“Townsquare”) hereby files this statement in support of the proposal of Connoisseur Media LLC (“Connoisseur”) asking for a change in the methodology used by the Commission in its analysis of multiple ownership compliance for radio stations located in an “embedded market.” Townsquare is the licensee of over 300 radio stations in various markets across the country, including several that operate in embedded markets surrounding New York City. Townsquare does not have stations in the core of the New York City market, and it has seen the same problems identified in Connoisseur’s filings on this issue – i.e. the inability of parties to complete transactions involving the acquisition of stations that are located in embedded markets, not because the acquisition of those stations would create any competitive issues in the embedded market itself, but instead because these stations are also counted in an analysis of whether the acquiring party is in compliance with the ownership rules in the overall New York City market. Being over the limit in the New York market prevents the deals from happening, even though stations in embedded markets don’t compete with stations in other embedded markets, and are not competitive factors in the overall New York market. Townsquare agrees that, where a company has no stations in the core of the larger metropolitan market, ownership compliance should be evaluated only in the embedded market itself, not in the larger metropolitan market.

As Connoisseur has argued, in making this change in the Commission’s policy, the Commission must make clear that there has in fact been a change – that the exclusive reliance on ownership compliance in the embedded market should be the rule, and not the exception. Stations looking to do transactions must be able to rely on this change in Commission policy. There must be ***a presumption that***, in evaluating the acquisition of a station in an embedded market by a prospective owner who has no attributable interest in any station licensed to any county in the core of the market (a county that is not home to one of the embedded markets), ownership is to be evaluated only in the embedded market.

Connoisseur has shown that the change is in the public interest, as it will help owners with stations located solely in the embedded markets to compete against the stations from the core of the market that drain so much revenue from these embedded markets. But a change in policy cannot be left to a case-by-case analysis. Instead, a strong statement is needed that the presumption urged by Connoisseur is the new norm. Without a presumption that the processing policy has changed, transactions in embedded markets that could help to remedy the issues identified by Connoisseur will rarely if ever occur. Potential sellers of stations in embedded

markets must be comfortable that a buyer who owns stations in another embedded market will receive regulatory approval for a transaction done in reliance on this new methodology. If a seller cannot be assured that the acquisition will occur, and that the transaction can be completed in a timely fashion, that seller simply will not enter into a deal. Delays in the processing of transactions disrupt employee and customer relationships, and thus disrupt the service that these stations can provide to the public. Without a presumption that a deal will be approved, significant financial bets will have to be made on an uncertain regulatory outcome. In most cases, they just won't happen unless the processing policy change is made clear.

In reviewing the showings made by Connoisseur, particularly in the detailed ex parte statement filed on June 7, Connoisseur has shown that, of all of the FM stations licensed to embedded markets, only one covers more than 52% of the greater New York market, and most cover far less. All of the central city stations cover at least 69% of the market area – and most much more. Thus, it is clear that these embedded market stations, which can at best cover half of the market, are not true competitors in the central city market. The single station that is licensed to an embedded market community but has a transmitter site located at the same site used by many of the central city stations is the exception, not the rule. Thus, this one exception cannot drive the presumption as to what will be counted in a multiple ownership analysis. Instead, the presumption must be that licensees that do not have central-city stations can acquire stations in embedded markets without having to prove compliance in the central city, not the other way around – that they have to prove that their acquisition warrants an exception to a rule that is generally applicable.

For these reasons, Townsquare supports Connoisseur's request for a clear and unambiguous statement of a change in policy for evaluating multiple ownership compliance of stations in embedded markets. Should there be any questions concerning this matter, please contact the undersigned.

Sincerely,


Steven Price